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November 19, 2002

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

RECORDATION NO. 24215 FILED
NOV 19 '02 2-19 PM

Dear Mr. Williams:

SURFACE TRANSPORTATION BOARD

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Master Equipment Lease Agreement, dated November 12, 2002, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor:	General Electric Capital Business Asset Funding Corporation (successor by merger to MetLife Capital, Limited Partnership) 10900 N.E. 4 th Street Suite 500 Bellevue, WA 98004
Lessee:	J.R. Simplot Company 999 Main Street Suite 1400 Boise, ID 83702

A description of the railroad equipment covered by the enclosed document is:

seventy-five (75) railcars JRSX 40001 – JRSX 40075

Mr. Vernon A. Williams
November 19, 2002
Page Two

A short summary of the document to appear in the index follows:

Master Equipment Lease Agreement.

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a stylized flourish extending to the right.

Robert W. Alvord

RWA/anr
Enclosures

MASTER EQUIPMENT LEASE AGREEMENT

THIS AGREEMENT is entered into the 19th day of November, 2002 between **GENERAL ELECTRIC CAPITAL BUSINESS ASSET FUNDING CORPORATION**, successor-by-merger to MetLife Capital, Limited Partnership ("Lessor"), whose address is 10900 N.E. 4th Street, Suite 500, Bellevue, WA 98004, mailing address PO Box C-97550, Bellevue, Washington 98009 and **J. R. SIMPLOT COMPANY** ("Lessee") whose address is **999 Main Street, Suite 1400, Boise, Idaho 83702**.

1. Lease of Equipment

This Master Equipment Lease Agreement ("Agreement") contains general terms and conditions applying to each Equipment Lease ("Lease") between Lessor and Lessee that incorporates this Agreement by reference. The equipment or other personal property covered by all Leases, together with all components, parts, additions, accessions, attachments, substitutions thereof and replacements thereof is collectively called the "Equipment" and individually called an "Item." Each Lease will contain terms and conditions applying only to the Equipment covered by that Lease and will constitute a separate lease of that Equipment.

To accept an Item under a Lease, Lessee will sign and deliver to Lessor a Certificate of Acceptance for the Item in a form provided by Lessor together with such corporate resolutions, evidence of insurance (to the extent required by Section 10 hereunder), and other documentation as Lessor may reasonably request. Notwithstanding the execution, delivery or filing of any instruments or documents, it is agreed that this transaction is a lease and is not intended as security.

Following the earlier of (i) the date Lessee gives Lessor a Certificate of Acceptance for the last Item described in a Lease ("Closing Date"); (ii) the Purchase Cut Off Date; or (iii) such other day as is mutually agreed, Lessor shall send Lessee a Closing Schedule, setting forth any adjustments to payment schedules, stipulated loss values or other matters. Such Closing Schedule and the facts and determinations set forth therein shall, upon execution by Lessee and Lessor, be conclusive as to the matters therein. Alternatively, in lieu of signing the Closing Schedule, Lessee may, within thirty (30) days after the Closing Schedule is sent by Lessor to Lessee, give Lessor written notice identifying any claimed error therein. Notwithstanding any such notice, Lessee shall pay all rentals as they become due. If Lessee establishes an error that affects the amount of rentals, Lessor shall promptly issue to Lessee a credit (or, if Lessee shall have paid via Automated Clearing House payment, a refund) for any overpayment of rentals, and Lessee promptly shall pay to Lessor on demand any underpayments. If Lessee neither signs the Closing Schedule nor gives written notice of claimed errors, the Closing Schedule shall be conclusively deemed to be accurate thirty (30) days after the Closing Schedule is sent by Lessor to Lessee.

Lessee authorizes Lessor to insert in the Lease or the Closing Schedule, dates, models, serial numbers, and other pertinent data relative to the proper identification of Equipment and/or the Lessee.

If by the "Purchase Cut-Off Date" set forth in a Lease, Lessee shall not have given Lessor written notice of acceptance of an Item, Lessor shall have no obligation to lease it to Lessee. In such event, Lessee shall immediately pay all accrued Interim Rental and reimburse Lessor for all Lessor's costs and expenses with respect thereto. Any such item shall be deemed to be deleted from the Lease and no longer included as an Item of Equipment.

2. Non-Cancelable Net Lease

EACH LEASE IS A NON-CANCELLABLE NET LEASE. WHEN LESSEE SIGNS AND DELIVERS A CERTIFICATE OF ACCEPTANCE FOR ANY ITEM, ITS OBLIGATION TO PAY ALL RENT AND OTHER AMOUNTS WHEN DUE FOR THE ITEM AND OTHERWISE TO PERFORM AS REQUIRED UNDER THE RELATED LEASE IS UNCONDITIONAL, IRREVOCABLE AND INDEPENDENT. THESE OBLIGATIONS ARE NOT SUBJECT TO CANCELLATION, TERMINATION, MODIFICATION, REPUDIATION, EXCUSE OR SUBSTITUTION BY LESSEE. LESSEE IS NOT ENTITLED TO ANY ABATEMENT, REDUCTION, OFFSET, DEFENSE OR COUNTERCLAIM WITH RESPECT TO THESE OBLIGATIONS FOR ANY REASON, WHATSOEVER, WHETHER ARISING OUT OF DEFAULT OR OTHER CLAIMS AGAINST LESSOR OR THE MANUFACTURER OR SUPPLIER OF THE ITEM, DEFECTS IN OR DAMAGE TO THE ITEM, ITS LOSS OR DESTRUCTION, OR OTHERWISE. EACH LEASE IS INTENDED TO CONSTITUTE A TRUE LEASE AND NOT A SALE OF THE RELATED EQUIPMENT. TITLE TO THE EQUIPMENT WILL REMAIN WITH LESSOR AT ALL TIMES. LESSEE'S INTEREST IN THE EQUIPMENT IS LIMITED TO A LEASEHOLD.

3. Representations and Warranties

3.1 Of Lessee: Lessee hereby represents and warrants as follows:

(a) **Power and Authorization.** Lessee has the full power and authority to execute, deliver and perform Lessee's obligations under the Lease documents. The execution and delivery of the Lease documents have been authorized by all requisite action on the part of Lessee. The execution, delivery and performance of the Lease documents have not constituted and will not constitute a breach, default or violation of or under Lessee's articles of incorporation, by-laws, or any other agreement, indenture, contract, lease, law, order, decree, judgment, or injunction to which Lessee is a party or may be bound and have not resulted and will not result in the creation of any lien upon the Equipment pursuant to any agreement, indenture, lease, contract or other instrument to which Lessee is a party, except the lien created by this Agreement.

(b) **Location.** Lessee is a corporation and is incorporated under the laws of the State of Nevada; with its chief executive office located at 999 Main Street, Suite 1000, Boise, ID 83702.

(c) **Existence.** Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of its state of incorporation. Lessee has all requisite powers and authority; and all governmental licenses, authorizations, consents and approvals required to carry out its business as now conducted and is duly qualified to transact business in each jurisdiction where Equipment will be located and in the jurisdiction where its principal place of business is located.

(d) **Binding Effect.** This Agreement constitutes the valid and binding agreement of the Lessee; the Leases, when executed and delivered, will constitute the valid and binding obligations of the Lessee; and the Lease documents are enforceable against Lessee in accordance with their terms except as (i) the enforceability thereof may be limited by the bankruptcy laws, and (ii) the enforceability thereof may be limited by equitable principles of general applicability.

(e) **Litigation.** There is no action, suit or proceeding pending against, or to the knowledge of the Lessee, threatened against or affecting the Lessee, before any court or arbitrator or any governmental body, agency or official which has not been previously disclosed to the Lessor in writing and in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business, financial condition or results of operations of the Lessee or which would in any manner draw into question the validity of any of the Lease documents.

(f) **Filing of Tax Returns.** The Lessee has filed all tax returns required to have been filed and has paid all taxes shown to be due and payable on such returns, including interest and penalties, and all other taxes which are payable by it, to the extent the same have become due and payable except where failure to file tax returns or pay taxes due and payable would not have a materially adverse effect on the business, financial condition or results of operations of the Lessee. All tax liabilities of the Lessee are adequately provided for.

(g) **Compliance with Law.** The business and operations of the Lessee have been and are being conducted in accordance with all applicable laws, rules and regulations, other than violations that could not (either individually or collectively) have a material adverse effect on the financial condition or operations of the Lessee.

(h) **Full Disclosure.** All documents, records, instruments, certificates, statements (including, but not by way of limitation, financial statements of Lessee) and information provided to Lessor by Lessee in connection with this Agreement are true and accurate in all material respects and do not contain any untrue statement, or fail to contain any statement of a material fact necessary to make the statements contained herein or therein not misleading. There is no fact known to the Lessee that Lessee has not disclosed in writing which could materially and adversely affect the financial condition or operations of Lessee.

(i) **Personal Property.** Under the laws of the state(s) in which the Equipment is to be located, the Equipment is deemed to consist solely of personal property.

(j) **Pollution and Environmental Control.** Lessee has obtained all permits, licenses and other authorizations material to its business operations which are required under, and is in material compliance with, all federal, state, and local laws and regulations relating to pollution, reclamation, or protection of the environment, including laws relating to emissions, discharges, releases or threatened releases of pollutants, contaminants, or hazardous or toxic materials or wastes into air, water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants or hazardous or toxic materials or wastes. Lessee shall maintain all such permits, licenses, and authorizations current.

3.2. Of Lessor.

(a) **Power and Authorization.** Lessor has the full power and authority to execute, deliver and perform Lessor's obligations under the Lease documents. The execution and delivery of the Lease documents have been authorized by all requisite action on the part of Lessor. The execution, delivery and performance of the Lease documents have not constituted and will not constitute a breach, default or violation of or under Lessor's articles of incorporation, by-laws, or any other agreement, indenture, contract, lease, law, order, decree, judgment, or injunction to which Lessor is a party or may be bound.

(b) **Binding Effect.** This Agreement constitutes the valid and binding agreement of the Lessor; the Leases, when executed and delivered, will constitute the valid and binding obligations of the Lessor; and the Lease documents are enforceable against Lessor in accordance with their terms except as (i) the enforceability thereof may be limited by the bankruptcy laws, and (ii) the enforceability thereof may be limited by equitable principles of general applicability.

4. Covenants. Lessee hereby agrees and covenants as follows:

(a) **Change of Location.** Lessee will give Lessor not less than ninety (90) days advance written notice of a change in its location as described in 3(b), above.

(b) **Name and Change of Name.** Lessee's exact legal name is the name set forth in the introductory paragraph hereof. Lessee will give Lessor not less than thirty (30) days prior written notice of a change in its name and will, upon request of Lessor, execute any additional documents reasonably requested by Lessor necessitated by such change to evidence or maintain Lessor's interest in the Equipment.

- (c) **Payment.** Lessee shall make rental payments as provided herein and in any Lease hereunder.
- (d) **Location of Equipment.** Lessee will keep the Equipment located at the location or locations stated in the applicable Lease, provided, however, that Lessee may change the location of the Equipment as provided in the Lease.
- (e) **No Liens.** Lessee shall keep the Equipment free and clear of any security interest, lien or encumbrance of any kind. Lessee shall not sell, assign (by operation of law or otherwise), exchange or otherwise dispose of any of the Equipment, except as is expressly permitted hereunder or pursuant to the express written permission of Lessor.
- (f) **Financing Statements.** Lessee authorizes Lessor to execute and file one or more financing statements pursuant to the Uniform Commercial Code and other documents deemed necessary by Lessor under applicable law to record or perfect a security interest in the Equipment, including continuation statements, in form satisfactory to Lessor and will pay the cost of filing the same in all public offices wherever filing is deemed by Lessor to be necessary or desirable. Lessee hereby authorizes Lessor, in such jurisdictions where such action is authorized by law, to effect any such recordation or filing of financing statements or other documents without Lessee's signature thereto. Additionally, Lessee agrees to reasonably assist Lessor in obtaining control of Equipment where control is necessary to obtain a perfected security interest therein.
- (g) **No Duties.** The powers conferred on Lessor hereunder are solely to protect its interest in the Equipment and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Equipment in its possession and the accounting for moneys actually received by it hereunder, Lessor shall have no duty as to any Equipment or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Equipment.
- (h) **Mergers, Consolidation and Assumptions.** Lessee will give Lessor at least thirty (30) days prior written notice if Lessee is involved (i) in a merger or consolidation; (ii) a transaction in which substantially all of Lessee's assets are acquired by a third party; (iii) the assumption of any of Lessee's obligations hereunder by a third party; (iv) Lessee engages in a leveraged buy-out or any other form of corporate reorganization, including conversions to Sub "S" corporation status; or (v) the transfer by Lessee of an obligation hereunder or an interest in the Equipment. The foregoing shall not be construed as a waiver of a default by Lessor under Section 19(a) hereof. Lessor shall have no right to approve or disapprove of any merger, consolidation, corporate reorganization, or of a transaction in which substantially all of Lessee's assets are acquired by a third party; provided, however, that Lessor shall have the right to request from Lessee information concerning such transaction and financial information concerning the merger partner or of any party acquiring all or substantially all of Lessee's assets. If such information is not furnished in a timely manner or if Lessor determines from such information that following such transaction, Lessee's tangible net worth shall have deteriorated from the date hereof, Lessor may require that Lessee (at Lessee's option) either (i) return the Equipment in accordance with the Rail Return Provisions of the Lease; or (ii) purchase the Equipment at the higher of fair market value or the documented stipulated loss value of the Equipment.
- (i) **Equipment Covered by Certificate of Title.** Lessee will not re-title Equipment covered by a certificate of title in a new state or jurisdiction or modify a certificate of title that covers Equipment, without the prior written consent of Lessor.
- (j) **Perfection of Security Interest.** In the event that the Equipment is of a type where notification and acknowledgement of a security interest in the Equipment is required to perfect a security interest therein, Lessee agrees to join Lessor in such notification and acknowledgement and to do such other things in connection therewith as Lessor may reasonably request.
- (k) **Personal Property.** Lessee shall not cause, suffer or permit any item to be attached or affixed to real property or improvements thereon ("Realty") unless Lessor first consents thereto in writing and Lessee shall have obtained from all persons having an interest in the Realty, written consents in form satisfactory to Lessor which approved such attachment, waives any claims to or encumbrances upon attached items and consent to the detachment and removal of such items at any time by Lessor or Lessee, and notwithstanding such attachment of any items to Realty, all the Equipment at all items shall be and remain personal property.

5. Term of Lease

The term of each Lease ("Term") shall consist of an "Interim Term" and a "Basic Term." The Interim Term shall begin on the date that Lessee first gives Lessor written notice of acceptance of an Item and shall continue until the time the Basic Term begins. The Basic Term shall begin on the first day of the first month following such acceptance and shall continue for the length of the Basic Term set forth in the respective Lease.

6. Interim Rental

Lessee shall pay per diem rental ("Interim Rental") at the "Interim Rental Rate" set forth in the Lease.

7. Periodic Rental

Lessee shall pay rent ("Periodic Rental") for the Basic Term in an amount set forth in the Lease Lessee shall pay installments of Periodic Rental to Lessor in accordance with the payment schedule set forth in the Lease.

8. Late Payment

If any installment of rent or other sum owing under the Lease shall remain unpaid for ten (10) days of the date when such payment was due, Lessee shall pay Lessor a late charge equal to five percent (5%) of the amount delinquent, but in no event at a rate greater than limited by any applicable law. Such late charge is in addition to and not in lieu of other rights and remedies Lessor may have. Notwithstanding the foregoing, if Lessee's payments hereunder are being made pursuant to an Automated Clearinghouse Agreement and a late payment is not the result of insufficient funds in the account from which such payment is intended to be drafted, no late charge will apply.

9. No Lessor Equipment Warranties

LESSOR LEASES THE EQUIPMENT AS-IS AND EXPRESSLY DISCLAIMS AND MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE CONDITION, DESIGN, QUALITY, CAPACITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF, OR ANY OTHER MATTER, CONCERNING THE EQUIPMENT. LESSEE HEREBY WAIVES ANY CLAIM (INCLUDING ANY CLAIM BASED ON STRICT OR ABSOLUTE LIABILITY IN TORT) IT MAY HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL OR CONSEQUENTIAL DAMAGE) OR EXPENSE CAUSED BY OR RELATING TO THE EQUIPMENT. LESSEE HAS SELECTED OR WILL SELECT BOTH THE EQUIPMENT OF THE TYPE AND QUANTITY WHICH IS THE SUBJECT HEREOF AND THE SUPPLIER FROM WHOM LESSOR PURCHASED THE EQUIPMENT.

10. Insurance

Subject to the final sentence of this Section 10, Lessee shall at all times prior to return of an Item to Lessor procure and continuously carry, maintain and pay for: (A) physical damage insurance providing "all risks" coverage for the Item in an amount not less than the full replacement value thereof and (B) bodily injury and property damage with limits totaling at least \$20,000,000, all in such amounts and against such risks and hazards and with insurance companies and pursuant to contract or policies and with exclusions and deductibles thereon satisfactory to Lessor. All contracts and policies: (i) shall include Lessor as an additional insured and shall include provisions for the protection of Lessor notwithstanding any act or neglect of or breach or default by Lessee; (ii) shall provide that they may not be modified, terminated or canceled unless Lessor is given at least thirty (30) days advance written notice thereof; (iii) shall contain endorsements (x) providing that, with respect to the activities of Lessee, such insurance is primary as to the Item without right of contribution from any insurance policy of the lessor (unless the insured loss or liability results solely from the negligence of Lessor) and (y) providing thirty (30) days prior written notice to Lessor (and any successor or assignee) before coverage lapses or is cancelled or materially changed, or before there is a change in insurer. Lessee shall promptly notify any appropriate insurer and Lessor of each and every occurrence that may become the basis of a claim or cause of action against the insureds and provide Lessor with all data pertinent to such occurrence. Lessee will send Lessor a certificate evidencing such insurance and endorsements or copies of the policies upon request before the Item's Acceptance Date and whenever the insurance is renewed. As long as no Event of Default exists, Lessor will remit any physical damage insurance proceeds for an Item to Lessee when Lessee either (A) provides evidence that the Item has been repaired and restored to the good operating order and condition required under Section 12, or (B) pays Lessor the amount due upon an Event of Loss as provided in Section 14. If no Event of Default shall have occurred and be continuing, Lessee may "self-insure" as to the hazard insurance required above, but in no event will such "self-insurance" be permitted with respect to the required liability insurance coverage.

11. Lessee Tax Indemnities

(a) **General.** Lessee will pay and defend, indemnify and hold harmless Lessor and any successor, assignee or secured party of Lessor on an after-tax basis from any and all Taxes (as defined below) on or relating to: (i) the Equipment; (ii) its, acceptance, delivery, installation, ownership, leasing, possession, maintenance, documentation, use, operation, transportation, return or other disposition; (iii) its rentals, receipts or earnings; and (iv) any Lease. "Taxes" means taxes, fees, or other governmental charges that are not on, based on, or measured by the net income, receipts, capital, franchise, net worth or conduct of business of the indemnified party, whether they are assessed to or payable by Lessee or an indemnified party, and includes without limitation: (A) sales, use, licensing, registration, titling, stamp and personal property taxes; (B) levies, imposts, duties, charges and withholdings except any allowed as a foreign tax credit on the Lessor's federal income tax return; and (C) penalties, fines, and additions to tax and interest on Taxes. "Taxes" does not include costs imposed as a result of a transfer by the indemnified party of any interest in the Item or the Lease or any amounts imposed on an indemnified party resulting from the failure of the indemnified party to properly file forms or pay taxes or fees or due to the negligence or misconduct of the indemnified party. Lessee shall not be obligated to pay any amount under this section so long as it shall in good faith and by appropriate proceedings contest the validity or the amount thereof, unless such contest would adversely affect the title of Lessor to any Item of Equipment or would subject any Item to forfeiture or sale. Lessor agrees to assist Lessee in the conduct of any contest of Taxes. Lessee shall indemnify and hold harmless Lessor, on an after-tax basis, against any and all loss, claims, demands and expenses, including reasonable attorneys' fees and expenses resulting from any such non-payment or contest.

Unless Lessor elects otherwise, Lessor will prepare and file all reports and returns relating to Taxes covered by this Section and will pay all such Taxes to the appropriate taxing authority. Lessee will reimburse Lessor for all such payments promptly on request. Lessor will provide Lessee with copies of cancelled checks and, if available, receipts indicating proof of payment of any Taxes paid by the Lessor. However, if Lessor elects, upon written notice to Lessee, Lessee will prepare and file all such reports and returns, pay all such Taxes directly to the taxing authority and deliver to Lessor reasonable evidence thereof.

Upon termination of this Lease as to any Item, Lessee will, on request, advance to Lessor the amount estimated by Lessor to equal personal property taxes on the Item for the then-current calendar year which were incurred as a consequence of Lessor's ownership or Lessee's use of the equipment and which are not yet payable. Lessor will account to Lessee for such advances.

(b) **Federal Tax Indemnities.** If Lessor shall lose the right to claim, suffer a disallowance of or be required to recapture all or any portion of the accelerated cost recovery deductions pursuant to Internal Revenue Code Section 168 with respect to the Total Cost for property with recovery period(s) referred to in the Lease then, unless such result is due to Lessor's act or omission (other than its exercise of remedies after default) or to a loss for which Lessee pays the Stipulated Loss Value of the affected Equipment, Lessee shall pay to Lessor on demand a sum equal to the amount of deductions lost by Lessor as a result of such event, plus the amount of any interest, penalties and additions to tax payable by Lessor as a result of such event. The amount of lost deductions to be paid by Lessee pursuant to this Section shall be computed by Lessor so as to cause Lessor's after-tax rate of return on investment and after-tax cash flows whichever results in the lesser amount of indemnity in respect of the Lease to equal that which would have been realized by Lessor if such event had not occurred. Lessee shall indemnify and hold harmless Lessor from and against any and all taxes, assessments and other charges imposed upon Lessor under the laws of any federal, state, local or foreign government or taxing authority, as a result of any payment made by Lessee pursuant to this Section 11. Lessor will provide Lessee with documentation reasonably sufficient to support the calculation of the amount of the claimed indemnity.

(c) **Tax Law Change.** Notwithstanding the foregoing to the contrary, for each Lease hereunder, Lessee shall not be required hereunder to indemnify Lessor for a loss of tax benefits resulting from a change in the tax law occurring subsequent to the Closing Date for such Lease.

12. Maintenance and Alterations

(a) **Maintenance and Repair Consequent to Use.** Lessee at its expense at all times shall maintain, service and repair any damage to the Equipment not noted in writing at acceptance of the Item so as to: (i) keep the Equipment in good and efficient working order, condition and repair, ordinary wear and tear resulting from proper use excepted, and make all inspections and repairs, including replacement of worn parts (which replacement parts shall be free and clear of all liens and encumbrances and shall, upon incorporation into the Item, become the property of Lessor free and clear of any and all liens and encumbrances and subject to the related Lease); and (ii) pay all costs, expenses, fees and charges incurred in connection with the use or operation of the Equipment and of each Item, including but not limited to repairs, maintenance, storage and servicing; provided, however, that if any alteration or modification is required by law, provided that no Event of Default shall have occurred and be continuing, Lessor shall reimburse Lessee for the cost of such alteration or modification, and the rent due under the Lease shall be adjusted as though the cost of such repair were a loan amortized at eight percent (8%) over the remaining term of the Lease. If Lessee has the Equipment maintained by someone other than the manufacturer, Lessee will pay any costs necessary to have the manufacturer re-certify the Equipment for continued maintenance at the expiration of its Lease Term or any Renewal Term.

(b) **Alterations by Lessee.** Lessee shall not make any alterations, improvements or additions to the Equipment or Items that impair the value of the Equipment or the use of the Equipment from that for which it is designed, unless Lessor first shall have consented thereto in writing. Lessee shall pay all costs and expenses of any alterations, improvements, or additions to the Equipment or Items. All replacements, repairs, improvements, alterations, substitutions and additions shall constitute accessions to the Equipment and title thereto shall vest in Lessor, and shall be free of any and all liens. In performing its obligations under this Section, Lessee will not treat the Equipment less favorably than similar equipment that it owns or leases, or reduce its performance in contemplation of expiration of the Term or any Renewal Term.

(c) **Transfer of Warranties.** Lessor hereby transfers and assigns to Lessee, for so long during the Term and any Renewal Term as Lessee is not in default, Lessor's right, title and interest in, under and to any assignable factory and dealer warranty, whether express or implied, with respect to the Equipment. All claims and actions upon any warranty shall be made and prosecuted by Lessee at its sole cost and expense. Lessor shall have no obligation to make or prosecute any claim upon or under a warranty.

13. Use; Quiet Enjoyment

So long as Lessee shall not be in default, Lessee shall be entitled to the possession, use and quiet enjoyment of the Equipment during the Term and any Renewal Term in accordance with the terms of the Lease. Unless a purchase option is exercised, Lessee shall deliver and surrender the Equipment to Lessor at the end of the Term or Renewal Term in accordance with Section 17 (b) hereof. Lessee warrants that the Equipment will at all times be used and operated solely in the conduct of Lessee's business in a careful and proper manner for the purpose for which it was designed and intended and under and in compliance with manufacturer's specifications and applicable laws and all lawful acts, rules, regulations and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that Lessee may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner that will not adversely affect the title of Lessor to any Equipment or subject the same to forfeiture or sale. Lessee will not permit its rights or interest hereunder to be subject to any lien, charge or encumbrance and will keep the Equipment free and clear of any and all liens, charges, encumbrances and adverse claims (except those arising from acts of Lessor). Lessor may inspect the Equipment and its maintenance records on reasonable notice and subject to Lessee's security procedures. All such inspection rights are for the sole benefit of Lessor and shall not be construed to impose any obligation on Lessor, whether or not Lessor makes any inspections or receives any reports.

14. Event of Loss

Each Lease is a net lease. Lessee assumes all risk of and shall indemnify and hold harmless Lessor from and against all damage to and loss of the Equipment from any cause whatsoever, whether or not such loss or damage is or could have been covered by insurance (an "Event of Loss"). Except as otherwise specifically provided herein, neither this Agreement nor a related Lease shall terminate and there shall be no abatement, reduction, suspension or deferment of Interim or Periodic Rental for any reason, including damage to or loss of the Equipment or any one or more Items. Lessee promptly shall give Lessor written notice of any material loss or damage, describing completely and in detail the cause and the extent of loss and damage. Upon the occurrence of an Event of Loss, at its option Lessee shall: (i) repair or restore the damaged or lost Items to good condition and working order; or (ii) replace the damaged or lost Items with similar equipment of equal value in good condition and working order; or (iii) pay Lessor in cash the Stipulated Loss Value, as defined below of the damaged or lost Items. Upon Lessee's complying with the foregoing, Lessor shall pay or cause to be paid over to Lessee the net proceeds of insurance, if any, with respect to such damage or loss. "Damage" and "loss" shall include damages and losses of any kind whatsoever including, without limitation, physical damage and partial or complete destruction, including intentionally caused damage and destruction, and theft. Upon payment by Lessee of the Stipulated Loss Value for an Item, along with any rent, late charges, taxes, or other amounts then due and owing, Lessor will then deliver a Bill of Sale for the Item, and Lessee's obligation to pay rent for the Item will terminate.

The Stipulated Loss Value of an Item as of any date shall equal a sum computed by Lessor, which shall not exceed the amount determined by multiplying the Total Cost of the Item by the Stipulated Loss Factor as set forth in the applicable Closing Schedule for the Lease year during which the loss of the Item occurs.

15. Ownership and Marking

Lessee has not and by execution and performance hereof will not have or obtain any title to the Equipment or any other interest therein except as Lessee hereunder and subject to all the terms hereof. Title to the Equipment shall at all times remain in Lessor and Lessee at its expense shall protect and defend the title of Lessor and keep it free of all claims and liens other than the rights of Lessee hereunder and claims and liens created by or arising through Lessor. Lessee will treat this transaction as a lease for federal income tax purposes and will not claim any credit or deduction inconsistent with Lessor's ownership of the Equipment.

If Lessor supplies Lessee with labels designating its interest in the Equipment, Lessee shall affix the same to and keep them in a prominent place on the Equipment.

Lessee may place its name and identifying logo on the Equipment, subject to the Rail Return Provisions attached to the Lease.

Notwithstanding the express intent of the parties, should a court of competent jurisdiction determine that this Agreement is not a true lease, but rather one intended as security, then solely in that event and for the expressly limited purposes hereof, Lessee shall be deemed to have hereby granted Lessor a security interest in this Lease, the Equipment, and all accessions thereto, substitutions and replacements therefor, and proceeds (including insurance proceeds) thereof, to secure the prompt payment and performance as and when due of all obligations and indebtedness of Lessee to Lessor, now existing, or hereafter created; provided however, that the foregoing shall not apply if such determination is made solely for purposes of federal tax laws and regulations.

16. Lessee's General Indemnities

Lessee will pay and defend, indemnify and hold harmless Lessor and any successor or assignee of Lessor from and against any claim, cause of action, damage, liability, cost or expense (including but not limited to legal fees and costs) which may be asserted against or incurred in any manner by or for the account of Lessor: (i) relating to the Equipment or any part thereof, including without limitation the manufacture, construction, purchase, delivery, acceptance or rejection, installation, ownership, sale, leasing, removal or return of the Equipment, or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable); (ii) by reason or as a result of any act or omission of Lessee for itself or as agent or attorney-in-fact for Lessor hereunder; (iii) as a result of claims for patent, trademark or copyright infringement; (iv) as a result of product liability claims or claims for strict liability; or (v) resulting from claims for personal injury, death or property damage.

17. Lessee Options at Expiration of Lease Term

(a) Provided that Lessee is not then in default and that the Lease has not terminated, at least one hundred fifty (150) days before the expiration of the Term of the first Item accepted under each Lease, Lessee will give Lessor written notice electing one of the following options with respect to all (but not less than all) Items covered by the Lease Schedule, to be performed with respect to each Item at the expiration of its Term:

(i) renew the Lease as to all such Items at the rent set forth below;

(ii) purchase all such Items under the Lease for their Fair Market Value (plus all applicable sales tax) (as defined below) for cash on the last day of the Term; or

(iii) return all such Items to Lessor in accordance with (b) below.

If Lessee purchases an Item, it will also pay all sales, use and similar taxes imposed in connection with the purchase. When Lessor receives the Item's purchase price and any such taxes, and all other amounts due under the Lease it will deliver to Lessee a Bill of Sale for the Item "AS IS - WHERE IS" without recourse to or representation or warranty by Lessor except for a warranty that the Item is free and clear of liens, claims and encumbrances created by contract by Lessor or arising out of claims against Lessor unrelated to its ownership or leasing of the Equipment.

Lessee's renewal option is for a single renewal term (the "Renewal Term") of a period of not less than twelve months but not more than twenty-four months, in Lessee's discretion, unless otherwise agreed by Lessor and Lessee in writing, but is not available if an Event of Default, or an event which would become an Event of Default with passage of time or giving of notice or both, exists or if there has been a material adverse change in Lessor's sole discretion since the date of the Lease in the financial condition of Lessee or any guarantor of Lessee's obligations under the Lease. The terms and conditions under the Lease shall continue to apply to the Items during any Renewal Term except that rent payable for each Item shall be \$375. At least one hundred fifty (150) days before the expiration of any Renewal Term, Lessee will give Lessor written notice electing one of the following options with respect to all (but not less than all) Items covered by the renewal, to be performed with respect to each Item at the expiration of its Renewal Term:

- (i) purchase all such Items for their then Fair Market Value; or
- (ii) return all such Items to Lessor.

Each notice delivered by Lessee required above will constitute Lessee's irrevocable agreement to perform the action elected in the notice.

(b) If Lessee does not elect to purchase an Item, at the expiration of the Term or Renewal Term, Lessee will at its sole expense and risk return the item to Lessor (all in good operating order and condition as required under Section 12 and the Rail Return Provisions attached to the Lease, at any location in the continental United States designated by Lessor free of all liens, claims and encumbrances as provided in Section 13 or in any Lease, together with all related plans, specifications, operating manuals, maintenance records and similar documents. If for any reason Lessee fails to return any Item as required in the condition required, Lessee's obligations under the related Lease shall continue in full force and effect on a month to month basis notwithstanding any expiration or termination of the Term or Renewal Term as to the Item that has not been returned in accordance with Lessee's return obligations and Lessee will continue to pay the current rent for the Item. Lessor may terminate Lessee's right to use the Equipment upon ten (10) days notice to Lessee.

(c) The "Fair Market Value" of any Item shall be the amount that would be paid for an Item in an arm's length transaction between an informed and willing buyer or lessee (other than a used equipment dealer) to an informed and willing seller or Lessor, neither under any compulsion to buy, sell or lease. If the Equipment has been installed, it shall be valued on an installed basis. Costs of removal from the location of use shall not be deducted from such value. If Lessee has not maintained the Item to the standards required by this Agreement, Fair Market Value shall be determined as though the Item had been maintained to those standards. If Lessor and Lessee have not agreed on the Fair Market Value of an Item by the ninetieth (90th) day before its Term or Renewal Term expires, Lessor shall appoint an independent appraiser (reasonably acceptable to Lessee) to determine Fair Market Value. The independent appraiser determination shall be final, binding and conclusive; provided, however that Fair Market Value shall not exceed \$23,000.00 per Item. Lessee shall bear all costs associated with any such appraisal.

18. Lessor May Perform

If Lessee at any time shall fail to pay any sum which Lessee is required by this Agreement to pay or shall fail to do or perform any other act Lessee is required by this Agreement to do or perform, Lessor at its option may pay such sum or do or perform such act, and Lessee shall reimburse Lessor on demand for the amount of such payment and for the cost and expense which may be incurred by Lessor for such acts or performance, together with interest thereon at the Default Rate from the date of demand until paid.

19. Default

(a) **Events of Default.** Each of the following shall constitute an event of default ("Event of Default"): (i) failure to pay any sum, including installments of rental, within ten (10) days following Lessor's giving of notice of non-payment by Lessee; (ii) failure to perform and comply with any other provision or condition of this Agreement within thirty (30) days after Lessor shall have given Lessee written notice of default with respect thereto, or failure to make good, within thirty (30) days after written notice by Lessor to Lessee, any representation or warranty, whether made in this Agreement or any Lease or in any certificate, agreement, instrument or statement, including income and financial statements delivered by Lessee to Lessor under this Agreement or any Lease, which shall prove to have been incorrect in any material respect when made; (iii) any event of default occurs with respect to any obligations of Lessee to Lessor or to GE Railcar on or with respect to any transactions, debts, undertakings or agreements other than this Agreement; (iv) the failure of Lessee generally to pay its debts as they become due in the ordinary course of business, or the filing of any application for the appointment of a receiver for a major part of Lessee's assets or the filing of any petition or application by or against Lessee under any present or future laws for the relief of debtors or for the subjection of the property of a debtor to the control of any court, tribunal or agency for the benefit of creditors, including proceedings under the Bankruptcy Code, if the proceeding commenced by such filing, if instituted against Lessee, shall not be dismissed for a period of sixty (60) days; (v) the execution by Lessee of a general assignment for the benefit of creditors; (vi) Lessee winds up, dissolves or otherwise terminates its corporate, partnership or limited liability company existence, or consolidates with or merges with or into any entity, or sells, leases or otherwise transfers substantially all of its assets to any entity, or engages in a leveraged buy-out or any

other form of corporate reorganization, including conversions to Sub "S" corporation status, in violation of the provisions of Section 4 above; and (vii) Lessee performs any sublease, assignment, or other transfer in violation of Section 23 or Section 4(e) above; or (viii) or incurs a substantial amount of indebtedness other than in the ordinary course of its business.

(b) **Effect on Lessor's Obligation.** Upon the occurrence of an Event of Default, Lessor shall have no further obligation to Lessee to purchase Equipment or Items or to lease any thereof to Lessee.

(c) **Remedies.** Upon the occurrence of an Event of Default as provided above, Lessor may at its option:

(i) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Agreement and applicable Lease or to recover damages for the breach thereof; or

(ii) by notice in writing to the Lessee terminate Lessee's right of possession of the Equipment, whereupon all rights of the Lessee to possess and use the Equipment shall absolutely cease and terminate, but Lessee shall remain liable as follows:

Upon such a termination, Lessee at its expense shall immediately redeliver the Equipment to Lessor at the location specified in Section 17 (b) hereof. If Lessee shall fail to do so, Lessor may retake possession of the Equipment by entering upon any premises at any reasonable time and thereafter Lessor may hold, possess, sell, upgrade, lease to others or enjoy the same, free from any right of Lessee, or its successors or assigns. If Lessor so retakes possession, Lessee upon demand shall reimburse Lessor for all costs and expenses relating thereto. Notwithstanding such redelivery or retaking Lessor shall have a right to recover from Lessee any and all amounts which under the terms of this Agreement may be then due or which may have accrued to the date of such termination, and also to recover forthwith from the Lessee its damages for loss of a bargain and not as a penalty, an amount equal to the higher of Fair Market Value or the Stipulated Loss Value of the Equipment as of the rent payment date on or next preceding the date of default, less:

(A) the amount Lessor in fact receives from the sale of the Equipment, after deduction of all estimated expenses of such sale (Equipment which Lessor is unable to recover shall at Lessor's option be deemed worthless); or

(B) at Lessor's election, the present value of the non-cancellable regularly scheduled rentals receivable from a subsequent lease of all or part of the Equipment entered into by Lessor (discounted at the Default Rate), and taking into account only the rentals receivable from the commencement date of such subsequent lease until the end of the Term for such Equipment.

In addition to all amounts and damages to which Lessor is entitled as set forth above, Lessee shall be liable to Lessor for all costs and expenses incurred by Lessor by reason of Lessee's breach or default. Lessee shall also be liable for interest on any of the above referenced amounts from and after the due date at the Default Rate, or the legal limit, whichever is smaller.

Lessor's costs and expenses incurred by reason of Lessee's breach or default shall include, without limitation, costs and expenses of receiving or retaking possession of the Equipment, storing, holding, transporting, insuring, caring for, servicing, maintaining and renting the Equipment or Items and collecting rents and professional fees and expenses with respect to or incurred by reason of the breach or default, including legal fees and expenses for advice and legal services in any actions or proceedings which Lessor may commence or in which Lessor may appear or participate to exercise or enforce any rights or remedies or to protect or preserve any rights or interests, including but not limited to attorneys' fees and costs incurred for representation in matters arising under the bankruptcy statutes, including relief from stay motions and motions concerning the assumption or rejection of executory contracts and leases and in all reviews of and appeals from any such actions or proceedings.

The "Default Rate" of interest shall be a rate per annum computed monthly which shall be five (5) percentage points above the prime rate, but not greater than the maximum rate, if any, limited by applicable law. The "prime rate" referred to in this Agreement shall mean the rate per annum as published in the Wall Street Journal from time to time as the prime rate, changing with each announced change of such prime rate.

20. Rights Cumulative

Unless otherwise expressly provided herein, all rights and remedies of Lessor are concurrent and cumulative. The exercise or partial exercise of any remedy shall not restrict Lessor from further exercise of that remedy or any other remedy.

21. Non-Waiver

Neither the acceptance by Lessor of any payment or any other performance, nor any act or failure of Lessor to act or to exercise any rights, remedies or options in any one or more instances shall constitute a waiver of any such right, remedy or option or of any other then existing or thereafter accruing right, remedy or option, or of any breach or default then existing or thereafter occurring. No purported waiver by Lessor of any right, remedy, option, breach or default shall be binding unless in writing and signed by an officer of Lessor. A written waiver by Lessor of any right, remedy, option, breach or default shall not constitute a waiver of any other then existing or thereafter accruing right, remedy or option or of any other then existing or thereafter occurring breach or default.

22. Notices; Payments

(a) A written notice may be given: (i) by personal delivery of the same to a corporate officer of the party to whom it is directed (the "Addressee"); (ii) by mailing the notice to the Addressee by first class mail, registered or certified, with postage prepaid, addressed to the Addressee at the address following its name in the opening paragraph of this Agreement or to such other address as Addressee may specify by notice in writing given in accordance with this Section; or (iii) by overnight courier service. Notice shall be effective upon delivery if sent pursuant to (i), effective five (5) days after mailing, or effective the next business day if sent by overnight courier. A "business day" shall be any day that is not a Saturday or Sunday or a legal holiday.

(b) The Lessee shall make all payments to Lessor at the place where the notice is to be mailed to Lessor pursuant to (a). Payments are deemed paid when received by Lessor.

23. Sublease and Assignment

(a) Upon not less than thirty (30) days' prior written notice to Lessor, but without any requirement of consent, Lessee may sublease any Item to any of Lessee's subsidiaries or affiliates for any period of time. Lessee may assign this Lease to an affiliate or a subsidiary (including a Canadian affiliate or subsidiary) with the prior written consent of Lessor, such consent not to be unreasonably withheld, based on Lessor's then-current underwriting criteria for similar transactions. In the event Lessee subleases all Equipment subject of a Lease to a subsidiary or affiliate for the remainder of the Term of such Lease, Lessee will provide Lessor with prompt notice of the sublease. LESSEE WILL NOT SUBLEASE OR LEND ANY ITEM TO ANY UNRELATED PARTY OR SELL, ASSIGN, TRANSFER OR GRANT A SECURITY INTEREST IN ALL OR ANY PART OF ITS INTERESTS IN THE EQUIPMENT OR ANY LEASE WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR WHICH SHALL NOT BE UNREASONABLY WITHHELD OR DELAYED BASED ON LESSOR'S THEN CURRENT UNDERWRITING CRITERIA. Lessor's consent to an assignment, sublease, transfer, sale or grant in any one or more instances shall not impose any obligation upon Lessor to consent to any other or further assignments. Lessor's consent to an assignment, sublease, transfer, sale or grant shall not release Lessee from any obligations with respect to the Lease unless expressly so stated in the written consent. In the event that (i) Lessee sublets the Equipment to a Canadian subsidiary or Canadian affiliate, and payments due under the Lease are made to Lessor directly by such Canadian subsidiary or Canadian affiliate, or (ii) Lessee assigns a Lease to a Canadian subsidiary or affiliate, then in either such event, Lessor may elect to transfer ownership of the Equipment to Lessor's Canadian affiliate and may require that a replacement lease or additional documentation be executed in connection with such transfer. Lessee shall be responsible for any customs duties, taxes (U.S. or Canadian), and imposts resulting therefrom

(b) All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of, either in whole or in part, without notice to Lessee but subject always to the rights of Lessee under this Lease. If Lessee is given notice of any such assignment, Lessee shall acknowledge receipt thereof in writing. If Lessor assigns this Agreement or any Lease or the rent due or to become due hereunder or any other interest herein, whether as security for any of its indebtedness or otherwise, no breach or default by Lessor hereunder or pursuant to any other agreement between Lessor and Lessee, shall excuse performance by Lessee of any provision hereof or give rise to any defense, counterclaim or set off, with respect to Lessee's obligations under the Lease, it being understood that in the event of such default or breach by Lessor that Lessee shall pursue any rights on account thereof solely against Lessor through a claim for damages. No such assignee shall be obligated to perform any duty, covenant or condition required to be performed by Lessor under the terms of this Agreement.

24. Survival

The representations, warranties, indemnities and agreements of Lessee, and Lessee's obligations under any and all provisions of this Agreement, shall survive the expiration or other termination of this Agreement, shall be binding upon its successors and assigns and are expressly made for the benefit of and shall be enforceable by Lessor and its successors and assigns.

25. Miscellaneous

(a) The term "Lessor" shall mean the Lessor named herein and its successors and assigns.

(b) Whenever the context so requires, any pronoun gender includes all other genders, and the singular includes the plural. If more than one person constitute Lessee, whether as a partnership or otherwise, all such persons are and shall be jointly and severally liable for all agreements, undertakings and obligations of Lessee.

(c) All captions and section, paragraph and other divisions and subdivisions are for convenience of reference only and shall not affect the construction, interpretation or meaning of this Agreement or any Lease or of any of the provisions thereof.

(d) THIS LEASE SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF WASHINGTON, WITHOUT REGARD TO THE CONFLICTS OF LAWS PROVISIONS THEREOF.

(e) This Lease shall be binding upon and, except as limited in Section 23 hereof, shall inure to the benefit of Lessor and Lessee and their respective successors and assigns.

HEREIN. (f) THIS LEASE CANNOT BE CANCELLED OR TERMINATED EXCEPT AS EXPRESSLY PROVIDED

(g) Lessee's obligation to pay or reimburse Lessor for expenses as provided hereunder shall be limited to reasonable expenses.

(h) LESSEE AND LESSOR EACH WAIVES FOR ITSELF AND ITS RESPECTIVE SUCCESSORS AND ASSIGNS ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY MATTER ARISING UNDER THIS AGREEMENT, ANY LEASE OR OTHER RELATED DOCUMENT.

(i) Lessee hereby authorizes Lessor, in such jurisdictions where such action is authorized by law, to execute financing statements regarding the Equipment on Lessee's behalf or to effect recordation or filing of such financing statements without Lessee's signature thereon.

(j) For all purposes hereof, "day" shall mean a calendar day.

(k) Without limiting any obligation of Lessee, in the event of any early termination, assignment, restructure, equipment substitution or other accommodation granted to Lessee by Lessor in Lessor's sole discretion without obligation to do so under the Lease, such accommodation will be conditioned upon payment by Lessee of such fee as Lessor shall assess to reimburse Lessor for its administrative expenses and out-of-pocket costs (including without limitation such expenses and costs incurred by Lessor in providing any pay-off quote).

26. Article 2A Waivers

If Article 2A of the Uniform Commercial Code is adopted under applicable state law and applies to this Agreement or to any Lease, then Lessee, to the extent permitted by law, waives any and all rights and remedies conferred upon a lessee by Sections 2A-508 through 2A-522 of such Article 2A, including, but not limited to, Lessee's rights to:

- (i) cancel or repudiate this Agreement or a Lease;
- (ii) reject or revoke acceptance of the Equipment;
- (iii) claim, grant or permit attachment of a security interest in the Equipment in Lessee's possession or control for any reason;
- (iv) deduct from Interim or Periodic Rental payments, or other amounts due hereunder, all or any part of any claimed damages resulting from Lessor's default, if any, under this Agreement or any Lease;
- (v) accept partial delivery of the Equipment or an Item thereof;
- (vi) "cover" by making any purchase or lease of or contract to purchase or lease equipment in substitution for Equipment designated in this Agreement or any Lease; and
- (vii) obtain specific performance, replevin, detinue, sequestration, claim and delivery or the like for any Equipment identified in any Lease. To the extent permitted by applicable law, Lessee also hereby waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, lease or otherwise use or dispose of any Equipment in mitigation of Lessor's damages or which may otherwise limit or modify any of Lessor's rights or remedies.

27. Entire Agreement

This Agreement, applicable Leases, Certificates of Acceptance and Closing Schedules shall constitute the entire agreement between the parties and shall not be altered or amended except by an agreement in writing signed by the parties hereto or their successors or assigns.

28. Jurisdiction

Lessee and Lessor agree that the venue of any litigation arising in connection with this AGREEMENT, to the extent permitted by law, shall be in King County, Washington. Lessee and Lessor agree to submit to personal jurisdiction in the State of Washington, in any action or proceeding arising out of this Agreement.

29. INTERNET USAGE

LESSEE HEREBY AUTHORIZES LESSOR TO USE THE INTERNET TO TRANSMIT DOCUMENTS AND CORRESPONDENCE IN CONNECTION WITH THIS AGREEMENT OR THE NEGOTIATION THEREOF WITHOUT ENCRYPTION OR OTHER PROTECTIVE PROCEDURE BEING USED, PROVIDED, HOWEVER LESSEE DOES NOT AUTHORIZE THE ELECTRONIC SIGNATURE OF THIS AGREEMENT OR ANY RELATED DOCUMENTS.

30. No Tax Shelter

There is no restriction (either express or implied) on any disclosure or dissemination of the structure or tax aspects of the transactions contemplated herein. Furthermore, each party hereto acknowledges that it has no proprietary rights to any tax matter or tax idea or to any element of the transaction structure.

IN WITNESS WHEREOF Lessor and Lessee have signed this agreement as of the day and year first hereinabove written.

LESSOR:

General Electric Capital Business Asset Funding Corporation

By: Carol C. Coker
Its: VP

Date 11-13-02

LESSEE:

J. R. Simplot Company

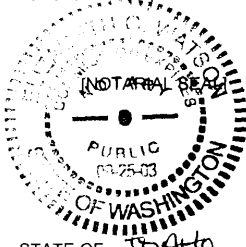
By: [Signature]
Its: Vice President & Treasurer
By [Signature]
Its Secretary

PLEASE COMPLETE NOTARY SECTIONS ON THE FOLLOWING PAGE.

STATE OF WASHINGTON

COUNTY OF KING

On this 13th day of November, 2002, before me, a Notary Public, personally appeared Carol Cline to me known to be the Vice President of General Electric Capital Business Asset Funding Corporation, who executed the foregoing instrument and acknowledged the said instrument was the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned.



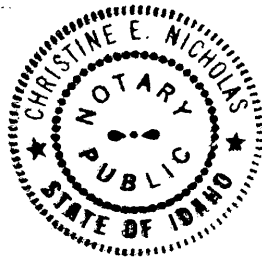
Kristin G. H.
NOTARY PUBLIC in and for the State of Washington,
residing at Kirkland, Wa.
My commission expires 9-25-03

STATE OF Idaho

COUNTY OF Ada

On this 12th day of November, 2002, before me, a Notary Public, personally appeared Thomas J. Sorge and Ronald N. Graves, to me known to be the Treasurer + VP and Secretary, respectively, of J.R. SIMPLOT COMPANY, who executed the foregoing instrument and acknowledged the said instrument was the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

[NOTARIAL SEAL]



Christine E. Nicholas
NOTARY PUBLIC in and for the State of Idaho,
residing at Eagle, Idaho
My commission expires 8-7-04

MASTER EQUIPMENT LEASE AGREEMENT DATED NOV 12 2002

Lessor: General Electric Business Asset Funding Corporation

Lessee: J.R. Simplot Company

EQUIPMENT LEASE NO. ONE DATED NOVEMBER 12, 2002

<u>New CAR</u>	<u>New CAR</u>	<u>Old CAR</u>	<u>Old CAR</u>	<u>CAR</u>
<u>INITIAL</u>	<u>NUMBER</u>	<u>INITIAL</u>	<u>NUMBER</u>	<u>SERIAL NO.</u>
JRSX	40001	FLIX	953201	507851
JRSX	40002	FLIX	953203	507853
JRSX	40003	FLIX	953210	507860
JRSX	40004	FLIX	953217	507867
JRSX	40005	FLIX	953219	507869
JRSX	40006	FLIX	953221	507871
JRSX	40007	FLIX	953222	507872
JRSX	40008	FLIX	953224	507874
JRSX	40009	FLIX	953227	507877
JRSX	40010	FLIX	953229	507879
JRSX	40011	FLIX	953232	507882
JRSX	40012	FLIX	953235	507885
JRSX	40013	FLIX	953238	507888
JRSX	40014	FLIX	953241	507891
JRSX	40015	FLIX	953243	507893
JRSX	40016	FLIX	953244	507894
JRSX	40017	FLIX	953245	507895
JRSX	40018	FLIX	953248	507898
JRSX	40019	FLIX	953253	507903
JRSX	40020	FLIX	953262	507912
JRSX	40021	FLIX	953279	507929
JRSX	40022	FLIX	953280	507930
JRSX	40023	FLIX	953282	507932
JRSX	40024	FLIX	953286	507936
JRSX	40025	FLIX	953288	507938

MASTER EQUIPMENT LEASE AGREEMENT DATED NOVEMBER 12, 2002

Lessor: General Electric Business Asset Funding Corporation

Lessee: J.R. Simplot Company

EQUIPMENT LEASE NO. ONE DATED NOVEMBER 12, 2002

<u>New CAR</u>	<u>New CAR</u>	<u>Old CAR</u>	<u>Old CAR</u>	<u>CAR</u>
<u>INITIAL</u>	<u>NUMBER</u>	<u>INITIAL</u>	<u>NUMBER</u>	<u>SERIAL NO.</u>
JRSX	40026	FLIX	953204	507854
JRSX	40027	FLIX	953212	507862
JRSX	40028	FLIX	953214	507864
JRSX	40029	FLIX	953215	507865
JRSX	40030	FLIX	953216	507866
JRSX	40031	FLIX	953228	507878
JRSX	40032	FLIX	953239	507889
JRSX	40033	FLIX	953240	507890
JRSX	40034	FLIX	953242	507892
JRSX	40035	FLIX	953246	507896
JRSX	40036	FLIX	953249	507899
JRSX	40037	FLIX	953254	507904
JRSX	40038	FLIX	953255	507905
JRSX	40039	FLIX	953258	507908
JRSX	40040	FLIX	953270	507920
JRSX	40041	FLIX	953276	507926
JRSX	40042	FLIX	953277	507927
JRSX	40043	FLIX	953281	507931
JRSX	40044	FLIX	953283	507933
JRSX	40045	FLIX	953284	507934
JRSX	40046	FLIX	953287	507937
JRSX	40047	FLIX	953289	507939
JRSX	40048	FLIX	953296	507946
JRSX	40049	FLIX	953297	507947
JRSX	40050	FLIX	953298	507948

MASTER EQUIPMENT LEASE AGREEMENT DATED NOVEMBER 12, 2002
Lessor: General Electric Capital Business Asset Funding Corporation
Lessee: J.R. Simplot Company

EQUIPMENT LEASE NO. ONE DATED NOVEMBER 12, 2002

<u>New CAR</u>	<u>New CAR</u>	<u>Old CAR</u>	<u>Old CAR</u>	<u>CAR</u>
<u>INITIAL</u>	<u>NUMBER</u>	<u>INITIAL</u>	<u>NUMBER</u>	<u>SERIAL NO.</u>
JRSX	40051	FLIX	953206	507856
JRSX	40052	FLIX	953207	507857
JRSX	40053	FLIX	953211	507861
JRSX	40054	FLIX	953213	507863
JRSX	40055	FLIX	953226	507876
JRSX	40056	FLIX	953230	507880
JRSX	40057	FLIX	953233	507883
JRSX	40058	FLIX	953236	507886
JRSX	40059	FLIX	953237	507887
JRSX	40060	FLIX	953251	507901
JRSX	40061	FLIX	953256	507906
JRSX	40062	FLIX	953257	507907
JRSX	40063	FLIX	953260	507910
JRSX	40064	FLIX	953264	507914
JRSX	40065	FLIX	953266	507916
JRSX	40066	FLIX	953269	507919
JRSX	40067	FLIX	953271	507921
JRSX	40068	FLIX	953272	507922
JRSX	40069	FLIX	953273	507923
JRSX	40070	FLIX	953275	507925
JRSX	40071	FLIX	953285	507935
JRSX	40072	FLIX	953291	507941
JRSX	40073	FLIX	953292	507942
JRSX	40074	FLIX	953293	507943
JRSX	40075	FLIX	953294	507944